



Objective

To ensure the House of Assembly's disbursements to, or on behalf of its Members, and government's disbursements in relation to Members' roles within the Government of Newfoundland and Labrador, were compliant with legislation, policies, and procedures.



Audit Period

April 1, 2022, to September 30, 2023.



Why this Audit is Important

The adequacy of, and compliance with, legislation, policies, and procedures throughout government is critical. Ensuring all Members and Ministers, as well as its staff, maintain complete adherence to all policies and procedures minimizes risk and supports the public's trust.



Conclusions

There were issues regarding the clarity and completeness of Members and Ministers policies and procedures. Policies and procedures were not always kept up-to-date based on requirements and directions issued, and not all Members and Ministers expenditures complied with them. While we did not detect fraud, we found issues with expenditure compliance.



Summary of Recommendations

1. The House of Assembly should ensure all policies and procedures relating to Members expenditures are reviewed and updated in a timely manner, with any direction subsequently conveyed by other authorities incorporated appropriately and in a timely manner.
2. The Executive Council should ensure all policies and procedures relating to Ministers expenditures are reviewed and updated in a timely manner, with any direction subsequently conveyed by other authorities incorporated appropriately and in a timely manner.
3. The House of Assembly should ensure that appropriate controls are in place to monitor compliance with policies, procedures, and legislation relating to Members expenditures.
4. The Executive Council should ensure that appropriate controls are in place to monitor compliance with policies, procedures, and legislation relating to Ministers expenditures.
5. The House of Assembly should communicate effectively and consistently to Members and those committees and officials charged with oversight, regarding the importance of compliance with legislation, policies, and procedures as well as their responsibilities as it relates to compliance.
6. The Executive Council should communicate effectively and consistently to Ministers and those committees and officials charged with oversight, regarding the importance of compliance with legislation, policies, and procedures as well as their responsibilities as it relates to compliance.

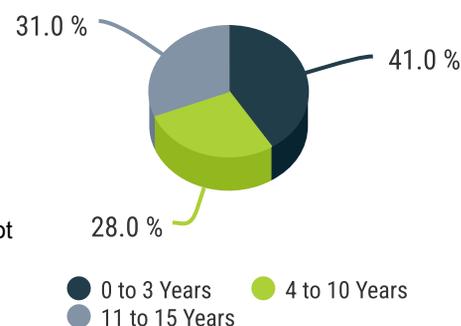


What We Found

Policies and Procedures

- The Management Commission typically reviewed policies and procedures in response to events, rather than on a regular and proactive basis as required by the Members' Resources and Allowances Rules.
- 17 out of 29 House of Assembly policies (59%) had not been updated in more than three years.
- The Ministerial Expense Reimbursement Policy under Executive Council had not been revised when changes were made in a Minute of Council issued in December 2015 by Cabinet.
- The published Member expense reports (on the House of Assembly website) did not capture \$236,000 of expenditures due to deficiencies in the reporting process.
- For Members of the House of Assembly who are also Ministers, the transactional review and compliance internal controls for expense reimbursement do not intersect.

Figure 1 - House of Assembly Policies - Years Since Update



Compliance

- In five of our 36 (14%) samples, a delegation of authority from the Speaker of the House of Assembly to the Clerk of the House of Assembly impaired the segregation of duties.
- In ten of our 36 samples (28%), the payroll controls and processes in the House of Assembly did not operate appropriately.
- There was no contract in place as required by the House of Assembly for 12 of the 20 days of work performed for one hourly researcher.
- One of six Caucuses and other applicable Members did not complete any monthly bank reconciliations throughout our entire compliance audit scope period.
- Two Ministers surpassed the 48 round-trip limit in the 2022 fiscal year, resulting in overcompensation of \$8,808; one of these Ministers surpassed the 48 round-trip limit again for the 2023 fiscal year, resulting in \$8,374 in overcompensation.